

NEI Presentation on Nuclear  
Decommissioning Trust (NDT) Use  
Concerns

# Background

- The NRC has a robust program to ensure remediation of radioactivity at NRC licensed power reactor sites
- A number of power reactor sites have shutdown and gone into decommissioning, so there is significant industry experience with the process
- DOE's failure to remove used fuel from reactor sites has significantly complicated the decommissioning process for shutdown reactors
- There have been recent shutdowns due to economic conditions and there are several other reactors at risk of early shutdown because of economic conditions

# Decommissioning Funding is a Common Concern for Licensees and Stakeholders

- Many stakeholders have expressed a preference for PROMPT DECON over SAFSTOR, and see the availability of funding as the critical issue to accelerating the decommissioning process
- Availability of decommissioning funding is a concern for all licensees, but there is heightened concern for those that no longer have the alternative of seeking incremental funding from a cost of service regulatory body
- NRC has addressed this situation in the formation of its regulations
  - 2011 Decommissioning Planning Rule (76 Fed. Reg. 35,512, 35,518; June 17, 2011)
  - 1998 Revisions to Financial Assurance Requirements (63 Fed. Reg. 50,465; Sept. 22, 1998)
  - 1997 Policy Statement on Restructuring and Deregulation (62 Fed. Reg. 44,071; Aug. 19, 1997)

# Uncertainties for Stakeholders

- The transition from operations to decommissioning is an unfamiliar event for most communities/stakeholder groups
- Most stakeholders may not be able to readily access information regarding acceptable uses of trust funds
  - While the industry access significant experience from previous decommissioning projects (both formally and informally), external stakeholders are not able to tap into the same kind of institutional knowledge
  - Dozens of guidance documents are available, but without the benefit of operational experience/institutional knowledge, stakeholders are at risk of receiving an incomplete regulatory picture

Licensees have relied upon existing NRC guidance, industry

- Licensees have relied upon existing NRC guidance, industry experience, and past precedent to determine appropriate uses of trust funds and have based their plans upon these expectations
- Where plants have transitioned from rate-regulated to merchant, decisions about their organizational structure and economic evaluation were based upon the existing NRC guidance, industry experience and past precedent
- Potential for inconsistent treatment of different licensees or inconsistent approach to interpreting regulations and guidance creates regulatory uncertainties which are particularly problematic and costly in times of transition such as moving from operations to decommissioning

# Uncertainty Can Harm Innovative Industry Solutions

- The Zion Solutions transaction represents an innovative commercial arrangement which accelerated timelines for moving fuel into dry storage and license termination of the balance of the site
- Given existing and potential plant shutdowns, there is ongoing industry activity on developing additional “transaction-based” solutions to accelerate decontamination and dismantlement
- A key factor enabling these sorts of transactions is a predictable, transparent and consistent regulatory regime governing acceptable uses of decommissioning trust funds
- The regime must recognize that company, plant, and state specific factors may vary

# NEI Draft Guidance Document

- In an effort to relieve some of these licensee and stakeholder uncertainties, an NEI task force has taken up the task of drafting a guidance document on appropriate uses of the NDT
- Goal is to provide additional guidance to licensees and to serve as a source of information for other stakeholders.
- Among other things, the draft document:
  - Identifies existing NRC guidance applicable to uses of NDT funds and preparation of decommissioning cost estimates
  - Discusses industry operating experience related to the NDT reimbursement process
  - Identifies non-NRC considerations that may be relevant to a licensee's decision to withdraw NDT funds

# Definitions (and Supplemental Information)

- When someone says “Decommissioning” what do they mean?
  - Removing a facility safely from service and reducing residual radioactivity to a point that allows restricted or unrestricted release
  - Only actions that directly remove curies from the site
  - Activities embedded in FERC and State PUC rate filings for decommissioning collection
  - Definition in the Federal Tax Code
  - The liability a company recognizes in its financial statements per GAAP

# Document Outline

- Definitions
- NRC Requirements for DCE & Financial Assurance
  - Plants
  - ISFSIs
- Relevant Publications (rules, RG, NUREG, etc)
- Reimbursement Process
- Supplemental Information

# DCE & Financial Assurance Requirements

- How Financial Assurance is maintained through the decommissioning process
- Comingled Funds are acceptable as long as there is a sufficiently clear accounting to assure that funds will be adequate for radiological decommissioning
- How much latitude is there in preparing a decommissioning cost estimate and how does it practically change while implementing the decommissioning process
- There will only be more ISFSIs and how they are treated before and after NRC Radiological Decommissioning needs to be clearly understood

# Reimbursement Process

- There are more constraints on reimbursements than those imposed by the NRC definition
  - Ability to complete license termination
  - Tax Status
  - Rate Regulator
  - Previous Agreements/Settlements

# Conclusion

- Everyone's top objective should be for a nuclear plant to be safely removed from service and safely decommissioned
- The best path forward is to remove uncertainty about permissible uses of NDT funds and provide the flexibility for the industry to develop and deploy innovative solutions to the end of life evolution.
- The draft guidance document is an effort to address existing licensee and stakeholder uncertainties